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210 N. Park Ave.
Winter Park, FL
32789

P.O. Drawer 200
Winter Park, FL
32790-0200

Tel: 407-740-8575
Fax: 407-740-0613
tmi@tminc.com

December 8, 2004

Via Overnight Delivery

AZ CORP COMMISSION
DOCUMENT CONTROL

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

DEC 09 2004



Re: Z-Tel Communications, Inc.

Data Request Response for Revision to Arizona Tariff No. 2 (Local Exchange)

Docket No. T-03589A-04-0801

Docket Control:

Enclosed for filing are the original and ten (10) copies of the response to correspondence from Mr. Armando F. Fimbres of Staff regarding additional information requested for the proposed increase in the Public Telephone Surcharge filed on behalf of Z-Tel Communications, Inc. on November 8, 2004, Docket No. T-03589A-04-0801.

Please acknowledge receipt of this filing by date stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided. Any questions you may have pertaining to this filing may be directed to me at (407) 740-8575 or via email at mbyrnes@tminc.com. Thank you for your assistance.

Sincerely,

Monique Byrnes,
Consultant to
Z-Tel Communications, Inc.

Encl.

MB/sp

cc: B. Sullins - Z-Tel
file: Z-Tel - AZ Local
tms: 5516AZL0411a

Application of Z-Tel Communications, Inc.
to Increase the Maximum Rate of the Public Telephone Surcharge
Docket No. T-03589A-04-0801

1. Statement setting forth the reasons for which a rate increase is required.

The filing to increase the Public Pay Telephone Surcharge is being made as a result of the adoption by the FCC of a new rate for payphone compensation of \$0.494 per call effective September 27, 2004 and the subsequent increase to \$0.52 per call for payphone compensation being passed through to Z-Tel Communications, Inc. by its underlying carrier.

2. Is there a cost based justification for the rate increase? If yes, please describe the change in your costs. Provide calculations and data to support your cost justification.

The Company is being billed \$0.52 per call for payphone compensation by its underlying carrier. A copy of correspondence from the underlying carrier documenting this increase is attached.

3. A schedule of current rates and proposed rates and the additional revenues to be derived from the proposed rates.

The Company has filed to increase the residential Pay Telephone Surcharge from \$0.45 per call to \$0.60 per call and to increase the maximum rate from \$0.45 per call to \$0.95 per call. The Company will not derive any additional revenue from this rate increase. The increase is being made to offset additional charges for payphone compensation being passed through to the Company by its underlying carrier.

4. An affidavit verifying that appropriate notice of the proposed rate increase has been provided to customers of the service in a bill insert;

Supplied with November 8, 2004 filing.

5. A copy of the customer notification you sent to your customers.

Supplied with November 8, 2004 filing.



September 3, 2004

Dear Customer,

The FCC has issued a new Payphone Order (FCC-04-182) revising the payphone compensation surcharge, which increases the amount remitted to Payphone Service Providers (PSPs) from \$.24 per call to \$.494 per call. As a result, WilTel will be adjusting the payphone surcharge to its customers to \$.52 per call effective 9/27/04.

If you have questions regarding the FCC order, please refer to the Payphone Order by visiting http://www.pccforum.com/fcc_doc_links/FCC-04-182.pdf.

If you have questions regarding your Account, please contact your WilTel Voice Account Manager.

Thank you,

WilTel Voice Account Management